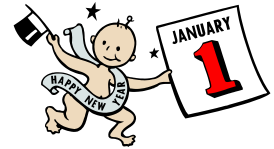


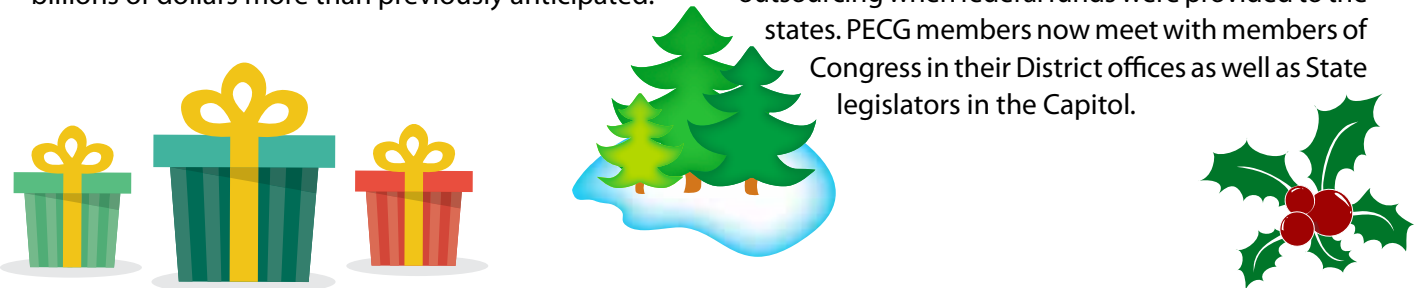
2015 WAS PRETTY GOOD, BUT THERE ARE CHALLENGES AHEAD



Looking back during this holiday season, 2015 was a pretty good year for most PECG members. The new MOU began after a 3.3% raise in July, followed by a 5% raise next July and another 2% in 2017. Most Unit 9 employees received two days of back pay (about \$700 to \$900 for most) resulting from PECG's lawsuit challenging furloughs. Life insurance premiums for the PECG-sponsored plan were reduced by 20% to 40%.

Congress just approved, and the President signed, legislation which will stabilize and slightly increase federal transportation funds for the next five years. The implementation of the recent 195-nation climate change agreement in Paris could enlist the efforts of several thousand PECG members in various agencies and departments. The economic recovery continues and State Budget revenue is now projected to be billions of dollars more than previously anticipated.

PECG's representation of its members on a wide variety of forums continues to grow. In addition to legal actions/lawsuits and legislative efforts, PECG is currently engaged in 16 group representation activities, 63 grievances and appeals, and 22 adverse action representation cases. Our State legislative agenda for the next year includes increased funding for highway and other programs, protecting against outsourcing, maintaining the current 90% staff/10% outsource ratio for the Caltrans engineering program, sponsoring legislation to create an Environmental Engineer Title Act license, ensuring Caltrans has a significant role in design-build, P3, and other project delivery methods, and protecting CalPERS pension and benefit systems for current and future retirees. PECG also has an increasingly active federal program in Washington, D.C. and joined with others to successfully block efforts to mandate or incentivize outsourcing when federal funds were provided to the states. PECG members now meet with members of Congress in their District offices as well as State legislators in the Capitol.



2015 WAS PRETTY GOOD, BUT THERE ARE CHALLENGES AHEAD

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In addition to our program to improve the compensation and working conditions of our members, there are two serious threats which PECG will continue to oppose in the next year. One involves efforts at the federal and State levels to outsource the jobs of our members to private interests through wasteful no-bid contracts which typically cost at least twice as much as having public servants do the work. The other threat is the ongoing effort to destroy the pension plan as discussed in more detail in an accompanying article in this *Informer*.

Your PECG Board of Directors met earlier this month to develop the plan and the PECG budget for the upcoming calendar year. Efforts will be revised and expanded as needed to achieve the goals while blocking wasteful outsourcing and the destruction of our pension plan.

PECG will continue to operate efficiently and effectively, but our dues are among the lowest of organizations representing State employees and have not increased in eight years. After careful analysis and discussion on the necessary costs to continue to effectively represent you while maintaining an appropriate reserve to address future needs, the Board overwhelmingly voted to increase the dues by \$10 per month effective July 1, 2016, when you will receive a 5% salary increase.

It is my pleasure to serve as PECG's President during this year. Like all PECG Officers, I am a volunteer assisted by professional staff, negotiators, lobbyists, attorneys, and others to help achieve PECG's goals and programs. PECG's strength and effectiveness is a direct result of the unity and support of our 10,000 members in all State agencies throughout California.

Thank you for supporting PECG in our continuing efforts to most effectively represent you. I wish you and your families a wonderful Holiday Season and the happiest of New Years.

Mark Sheahan
PECG President



ATTORNEY GENERAL ANALYZES PENSION MEASURES

Attorney General Kamala Harris has issued a Title and Summary for each of the two pension measures proposed by former San Jose Mayor Chuck Reed and former San Diego City Councilmember Carl DeMaio. Both measures would severely limit the contribution by government employers to pension and other retirement benefits for future hires; one would also prohibit defined benefit pension plans for new hires.

Previous proposals by Reed/DeMaio would have impacted current employees. This caused the Attorney General to include such statements as “eliminates constitutional protections for vested pension and retiree health care benefits for current public employees” which caused Reed and DeMaio to abandon their previous efforts to place a measure on the ballot when their court challenges failed.

This time, they were more careful to draft the two measures to only impact new hires, although doing so would reduce revenue flowing into CalPERS and other pension plans to the detriment of existing employees. Their stated intention was to determine which of the two measures received the more favorable Title and Summary (which would appear on the petitions seeking signatures).



The analysis was about the same for both. The Legislative Analyst concluded either measure “could increase or decrease governmental employer costs”; “would result in higher costs” for existing plans, and “likely would increase compensation” for wages and other items.

In preparing the Title and Summary, the Attorney General did not include the previous reference to “eliminates constitutional protections” but generally described the measure. She concluded with: “Significant effects -- savings and costs -- on State and local governments relating to compensation for governmental employees.”

Reed and DeMaio have decided not to challenge the Title and Summary in court but will seek funding to enable them to gather the signatures needed to place one of the measures on the November 2016 ballot. It is estimated the cost for signature gathering will be in the range of \$2 million to \$3 million and time is short for them to do so. If the measure qualifies for the ballot, PEGC is part of a long-standing coalition of public sector labor organizations and others who are opposed to destruction of the retirement plan for either current or future employees.



Caltrans Choir holiday performance at the State Capitol





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The 2016 PECG Wall Calendar is now available! Featuring 15 full color pictures of attractive California scenery and activities, the spiral bound calendar includes state holidays and other significant dates throughout the year. If you would like a calendar, simply contact your Section President or Director, or call or email the PECG Sacramento Office.

Also, a **2016 pocket calendar and membership card** have been mailed to PECG members. If you did not receive them, contact the PECG Sacramento Office.

